



REPLY TO
ATTENTION OF

SARD-PI

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

30 OCT 1997

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Use of Government-wide Purchase Card for Payments Greater than
\$100,000

By memorandum of March 12, 1996, subject; Use of IMPAC Card for Payments, we advised that the Government-wide Purchase Card single purchase limitation was removed for cards being used as a payment instrument. We also recommended that cards used for payments have separately established accounts to distinguish them from purchase cards. Payment cards are exempt from the bulk funding and single line of accounting requirement. Additionally, quantities of items paid for with the card are only limited by restrictions on quantities within the contract (stock quantities may be purchased subject to supply management regulations governing the contract).

When a Payment card is being established, the Agency Program Coordinator (APC) can now approve a single purchase limit up to \$9,999,900. However, when the single purchase limit is set at \$10,000 or higher, the APC should request First Bank Systems to place the account in "VIP" status. This prevents the velocity checks from being made which require that transactions be "referred," a special term that requires anti-fraud actions by the Bank. Without VIP status, when individual transactions exceed \$10,000, or when the cumulative daily total exceeds \$15,000, or when the total numbers of transactions in any one day exceed 9, the transactions would be referred (manually authorized by a person, not by the system). The VIP request needs no special form, must come from the APC, list the actual account numbers that you are requesting VIP status on, and why you need it (i.e., card belongs to a contracting person who regularly makes purchases exceeding \$10,000 and you don't want velocity checks to be made because merchants overseas don't know how to handle a referral). The letter should show levels for the APC, and can be faxed directly to David Langenberger in Minneapolis at (612) 973-7575. So far, several accounts in the Army have been set up for payments and placed in VIP status. The Bank notifies GSA on all VIP account requests, as a courtesy.



If you need additional information to establish VIP status, the APC should contact Mr. David Langenberger, FBS' Account Coordinator for the Army. Mr. Langenberger may be reached at (612) 973-7589.


Thomas W. Colangelo
Director, Procurement Initiatives

DISTRIBUTION:

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